



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND
9301 CHAPEK ROAD
FORT BELVOIR, VA 22060-5527

AMC Policy Memo 710-1
Expires: 30 September 2007

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AUG 02 2005

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Property Accountability for Durable Items/Equipment

1. References:

- a. Memorandum, HQAMC, AMCRM-M, 6 October 2004, subject: Increase in Property Accountability Threshold (\$5000) Policy – Deferred.
- b. Message, HQDA, 281806Z April 2004, subject: Property Accountability Threshold Change to \$5000 for Property Accountability Below the Stock Record Account.
- c. AR 710-2, Inventory Management, Supply Policy Below the National Level, 25 February 2004.
- d. AR 735-5, Policies and Procedures for Property Accountability, 28 February 2005.
- e. AR 25-1, Army Knowledge Management and Information Technology Management, 30 June 2004.
- f. DA Pam 25-1-1, Information Technology Support and Services, draft under revision.

2. Policy. This memorandum supersedes reference 1a. This memorandum endorses HQDA policy, as cited in reference 1b. Our policy and procedures are effective immediately and should be implemented NLT 30 September 2005.

3. Purpose. This memorandum provides policy and procedures for property accountability of durable items/equipment. It also outlines the responsibilities of the Property Book Officer (PBO), managers or designated hand receipt holders (HRHs) at the supervisory level and the Department of Information Management (DOIM) staff.

4. Applicability. This memorandum applies to Headquarters (HQ), Army Materiel Command (AMC), AMC Major Subordinate Commands (MSCs), including subordinate installations and activities and AMC Separate Reporting Activities (SRAs) as well as AMC tenant activities that authorize the U.S. Army Installation Management Agency (IMA) to maintain their Property Book (PB) records.

5. Background.

a. After much discussion with HQDA, we now endorse the property accountability policy that eliminates formal PB accounting for property having an acquisition cost of less than \$5000, regardless of the Federal Supply Class (FSC). Items meeting the aforementioned criteria will now be controlled as durable property. References 1c and 1d cite specific exceptions to policy.

b. The revised DA policy affords installation commanders and heads of activities flexibility in developing procedures to account for durable items under their control. Commanders and heads of activities are left with the responsibility of constructing an accountability system that adheres to the requirements of reference 1d and detailed in appendix B, reference 1c. As long as the system reasonably meets these regulatory requirements, it will be legally acceptable.

6. Procedures for managing and controlling durable items/equipment. References 1c and 1d define durable items/equipment as personal property that is not consumed in use, does not require formal PB accountability but, because of its unique characteristics requires control when issued to the user. They provide guidance on the management and control of all categories of durable items/equipment. Reference 1e states the DOIM will be the single organization responsible for the oversight and management of installation Information Technology (IT). The IT includes computers, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. This policy reinforces the DOIM's role and responsibility in IT equipment accountability.

a. Responsibilities of the Property Book Officer (PBO). Due to the increase in the dollar threshold (from \$2500 to \$5000) for property accountability, installation PBOs may now eliminate formal property book accounting for various and numerous nonexpendable assets. Items meeting the criteria in reference 1b will now be controlled as durable items/equipment. Exceptions to the policy include land and items that are sensitive, classified, authorized in CTA 50-900, Clothing and Individual Equipment, assigned a controlled inventory item code other than "U" or "7" or categorized as reportable item control code (RICC) other than zero. You may learn more about the specific exceptions in reference 1c, paragraph 2-5 and reference 1d, Chapter 7. However, before dropping durables items/equipment from the property records, PBOs must:

(1) Review items/equipment the commander and/or PBO may have designated as sensitive or pilferable to determine whether they need further formal accountability.

(2) Post any open/outstanding transactions (issues, turn-ins, or transfer documents) to Hand Receipts (HRs) accordingly and/or make sure all HRs are up-to-date and signed by the primary HRH (supervisor/manager, team leader or chief of an area of responsibility such as; a classroom, laboratory, or auditorium).

(3) Send the DOIM and each primary HRH, supervisor/manager or team leader a list of

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items/equipment that now qualifies for durable management control. The PBO may provide this listing either manually or by electronic means. However, electronic submissions are preferable to facilitate this transaction.

(4) Remove the qualifying durable items/equipment from the PB record by completing the DA Form 4949, Administrative Adjustment Report (AAR), or the Defense Property Accountability System (DPAS) equivalent. Cite reference 1b as the authority to remove the items/equipment from formal PB accountability.

(5) The IMA staff that maintains AMC PBs may adjust the property records IAW reference 1b. This adjustment complies with the IMA common levels of support. The IMA will continue to fund the management of tenant (AMC) property books at the \$5000 and higher threshold.

b. Responsibilities of each Supervisor/Manager/Team Leader/Chief.

(1) Reference 1d reminds us that every supervisor has the obligation to ensure all Government property issued to, or used by his or her subordinates is properly used and cared for, and that proper custody, safekeeping and turn-in action promptly takes place.

(2) Since the supervisory position is a specific position on the installation Table of Distribution and Allowances (TDA), some responsibilities cannot be delegated. For instance, the following supervisory responsibilities are inherent and are NOT contingent upon signed receipts or responsibility statements. Supervisors shall:

(a) Provide proper guidance and direction;

(b) Enforce all security, safety and accounting requirements;

(c) Maintain a climate that facilitates the proper care and use of Government property;

(3) Due to reference 1b, each supervisor must now establish a method to account for the newly designated durable items/equipment. Use the listing of items from the PBO as the baseline/start-point when developing your durable accounting system. You may develop your own accounting system or you may use one of the following management tools to track your durable items/equipment:

(a) Utilize Microsoft Excel software to create a spreadsheet that depicts each user by name and identify each piece of equipment by description, serial number, location, etc., that is in his/her possession/control. Be sure to gain the signature and date of each employee on the customized spreadsheet.

(b) Setup a manual system of manila folders by employee name. Prepare and issue

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equipment on the DA Form 2062, Hand Receipt/Annex Number (Sub-HR form) to each employee. Retain the original copy of the signed DA Form 2062 in the employee's respective folder.

(c) Develop a journal/register. Prepare and maintain equipment information as cited above and update as necessary.

(4) Whatever accounting system selected/developed, you must maintain a clear audit trail of equipment acquisition/disposal through the retention of various documents; such as an issue, turn-in, or transfer document. Once again, be sure to gain the employee's signature and date on each type of transaction document. Update your system as changes occur or at least quarterly. File and retain the documents for two years before destruction.

(5) Turn-in excess durable items/equipment to the forward distribution point (FDP); formerly known as the supply support activity (SSA). Turn-in excess Information Technology Equipment (ITE) through the installation DOIM for subsequent disposition instructions. Excess reporting requires the notation of the FSC, nomenclature, serial and/or bar code number, quantity and condition of item, i.e. serviceable or unserviceable due to fair wear and tear. Follow your local DOIM guidance accordingly.

c. The Annual Management Review (AMR) and the Command Supply Discipline Program (CSDP) requirements.

(1) Reference 1d, para 7-7, states the purpose of the AMR is to determine if there are any missing items or if there are any indications of fraud, waste or abuse. Therefore, the Commander or head of the activity conducting the management review must validate that a review of durable items/equipment was conducted, compile the findings of the review, to include the "results" and what, if any, corrective actions were taken, in a Memorandum For Record (MFR) format. You may submit this MFR that is compiled annually in conjunction with the results of the CSDP checklist to support the Annual Assurance Statement.

(2) Appendix B, reference 1c, outlines the specific requirements for the CSDP. Reference 1d, chapter 11 contains concepts and guidelines for establishing and maintaining the CSDP. The CSDP addresses supervisory/managerial responsibilities within the supply system from the **user to the MACOM levels**. The CSDP is a compilation of existing regulatory requirements that commanders must implement with their existing resources. Examples of existing resources are; the Command Inspection Program, Internal Review Office, and staff personnel. Therefore, commanders, supervisors, and managers are required to implement the provisions of the CSDP in order to standardize supply discipline throughout their installation/Army. The CSDP review may be used in conjunction with the AMR when you add the following questions to your existing CSDP **user level** checklist:

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- (a) Have you experienced any loss of office items/equipment during the past twelve months? If yes, identify the nomenclature and quantity of the lost item(s).
- (b) Have you notified your supervisor of this loss? If not, why? Explain.
- (c) Was the loss reported to the installation Provost Marshall and/or Security Guard force? If not, why? Explain.
- (d) Was a Security Investigation Report completed?
- (e) Was a DD Form 200, Financial Liability Investigation of Property, prepared for the lost item(s)? If not, why? Explain.
- (f) Do you maintain a file(s) of the DD Form(s) 200 IAW AR 735-5?

(3) As a reminder, the installation's PBO does not have the responsibility to monitor the completion of the AMRs. The responsibility to perform and document the AMR lies with the supervisor/manager/team leader/chief. Keep the MFRs on file for two years before destruction. Retain one copy in the immediate organization's files and forward a second copy to the next level of management (*the supervisor's boss*).

d. Responsibilities of the Directorate of Information Management (DOIM). References 1e and 1f assign responsibility for IM and ITE to the DOIM. Therefore, prior to implementation of references 1a and 1b, it is imperative that the DOIM staff coordinate with the PBO to ensure IM databases/records accounting for ITE are up to date and accurate.

(1) Reference 1e, Appendix C, Management Control Evaluation Checklist, paragraph C-4e assigns responsibility for IM and ITE to the DOIM. Specifically, appendix C, paragraph C-4e, questions (1) through (6) supports the requirement for the DOIM staff to maintain an accurate inventory and validate annually ITE. It also contains additional management control provisions IAW AR 11-2, Army Programs Management Control, 1 August 1994.

(2) Additionally, reference 1f outlines the responsibilities and procedures for acquiring, managing and disposing of ITE. Details may be found in chapter 6, paragraph 6-4, chapter 9, paragraph 9-1 and chapter 11, paragraph 11-3.

(3) The DOIM staff must coordinate with the PBO to ensure all IM and ITE are properly accounted for prior to implementation of references 1a and 1b.

7. Summary. Implementation of this memorandum standardizes PB procedures within the AMC. Therefore, commanders or heads of activities should:


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- a. Remind their staff of their inherent responsibility for the proper use, care and physical protection of government owned items/equipment.
- b. Ensure property records or locally developed systems provide a clear audit trail for the acquisition and disposal of government owned equipment regardless of FSC.
- c. Enforce internal controls to prevent fraud, waste and abuse of government owned property.

8. The points of contact for this action: Ms. Denise Smith, (703) 806-8459, email address: denise.l.smith@us.army.mil or Mr. Harry Campbell, (703) 806-8469, email address: Harry.Campbell2@us.army.mil.

FOR THE COMMANDER:


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